

## **806 KAR 17:260. Conversion policy minimum benefits.**

RELATES TO: KRS 304.17A, 304.18-110, 304.18-120(2)

STATUTORY AUTHORITY: KRS 304.2-110(1), 304.18-120(2)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) provides that the executive director may make reasonable administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. KRS 304.18-120(2) requires the office to promulgate administrative regulations to establish minimum benefits for a conversion policy issued pursuant to the conversion privilege contained in a group health policy. This administrative regulation establishes those requirements.

Section 1. Definitions. (1) "Conversion policy" means an individual health policy issued to an insured person pursuant to a conversion privilege contained in a group health policy upon termination of the insured person's coverage under the group policy.

(2) "FFS" means a fee-for-service product type.

(3) "Group policy" is defined in KRS 304.18-110(1)(a).

(4) "HMO" means a health maintenance organization product type.

(5) "POS" means a point-of-service product type.

(6) "PPO" means a preferred provider organization product type.

Section 2. Plan Cost Sharing. (1) The out-of-pocket limit for covered expenses incurred during a plan year for a converted policy issued pursuant to a conversion privilege contained in a HMO or POS product shall be no more than:

(a) \$6,000 for a single person; and

(b) \$12,000 for a family.

(2) The deductible and out-of-pocket limit for covered expenses incurred during a plan year for a converted policy issued pursuant to the conversion privilege contained in a group FFS or PPO product shall be no more than:

(a) \$6,000 for a single person and an out-of-pocket limit of \$6,000 after the deductible; and

(b) \$12,000 for a family and an out-of-pocket limit of \$12,000 after the deductible.

Section 3. Minimum Benefits. (1) A converted policy issued pursuant to the conversion privilege contained in a HMO or POS product shall include the following minimum benefits:

(a) In hospital care:

1. Inpatient hospital room and board benefits in a maximum copayment amount of \$1,000 per admission; and

2. Coverage benefits in a maximum copayment amount of \$1,000 per admission for transplants, including:

a. Kidney;

b. Cornea;

c. Bone marrow;

d. Heart;

e. Liver;

f. Lung;

g. Heart/lung; and

h. Pancreas.

(b) Outpatient care:

1. Ambulatory outpatient surgery benefits in a maximum copayment amount of \$500 per visit;

2. Provider office visits benefits in a maximum copayment amount of thirty (30) dollars per visit; and

3. Diagnostic tests benefits in a maximum copayment amount of thirty (30) dollars per testing session.

(c) Emergency care:

1. Hospital emergency room benefits in a maximum copayment amount of \$150 per visit; and

2. Ground ambulance benefits in a maximum copayment amount of seventy-five (75) dollars per use.

(d) Medicare hospice benefit.

(2) A converted policy issued pursuant to the conversion privilege contained in a group FFS or PPO product shall include the following minimum benefits:

(a) In hospital care:

1. Inpatient hospital room and board benefits in a maximum coinsurance amount of fifty (50) percent; and

2. Coverage benefits in a maximum coinsurance amount of fifty (50) percent for transplants, including:

a. Kidney;

b. Cornea;

c. Bone marrow;

d. Heart;

e. Liver;

f. Lung;

g. Heart/lung; and

h. Pancreas.

(b) Outpatient care:

1. Ambulatory outpatient surgery benefits in a maximum coinsurance amount of fifty (50) percent;

2. Provider office visits benefits in a maximum coinsurance amount of fifty (50) percent; and

3. Diagnostic tests benefits in a maximum coinsurance amount of fifty (50) percent;

(c) Emergency care:

1. Hospital emergency room benefits in a maximum coinsurance amount of fifty (50) percent; and

2. Ground ambulance benefits in a maximum coinsurance amount of fifty (50) percent.

(d) Medicare hospice benefits. (27 Ky.R. 1696; eff. 2-15-2001; TAm eff. 8-9-2007.)